

CUNA Iowa
**MEMBERSHIP BENEFITS
REPORT**

Iowa

The Benefits of Membership

Credit unions generally provide financial benefits to members through lower loan rates, high savings rates, and fewer fees than banking institutions.

The Credit Union National Association (CUNA) estimates that Iowa credit unions provided \$109,011,799 in direct financial benefits to the state's 1,277,376 members during the twelve months ending December 2018.

These benefits are equivalent to \$85 per member or \$179 per member household ⁽¹⁾.

Estimated total benefits of credit union membership are calculated by accounting for differences in credit union and bank pricing. Specifically, average credit union savings account yields, loan interest rates and fees are compared to average bank savings account yields, loan interest rates and fees. The interest rate differences are then applied to respective average credit union loan and savings balances. Fee differences are weighted and applied to credit union non-interest income to obtain the total estimated benefits arising from fees.

The per-member and per-household benefits delivered by Iowa credit unions are substantial, but these benefits are averages. Mathematically, that means the total benefits provided are divided across all members (or all member households) - even those who conduct very little financial business with Iowa credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Iowa credit union will save members an average \$110 per year in interest expense compared to what they would pay at a banking institution in the state.

Further, loyal members - those who use the credit union extensively - often receive total financial benefits that are much greater than the average.

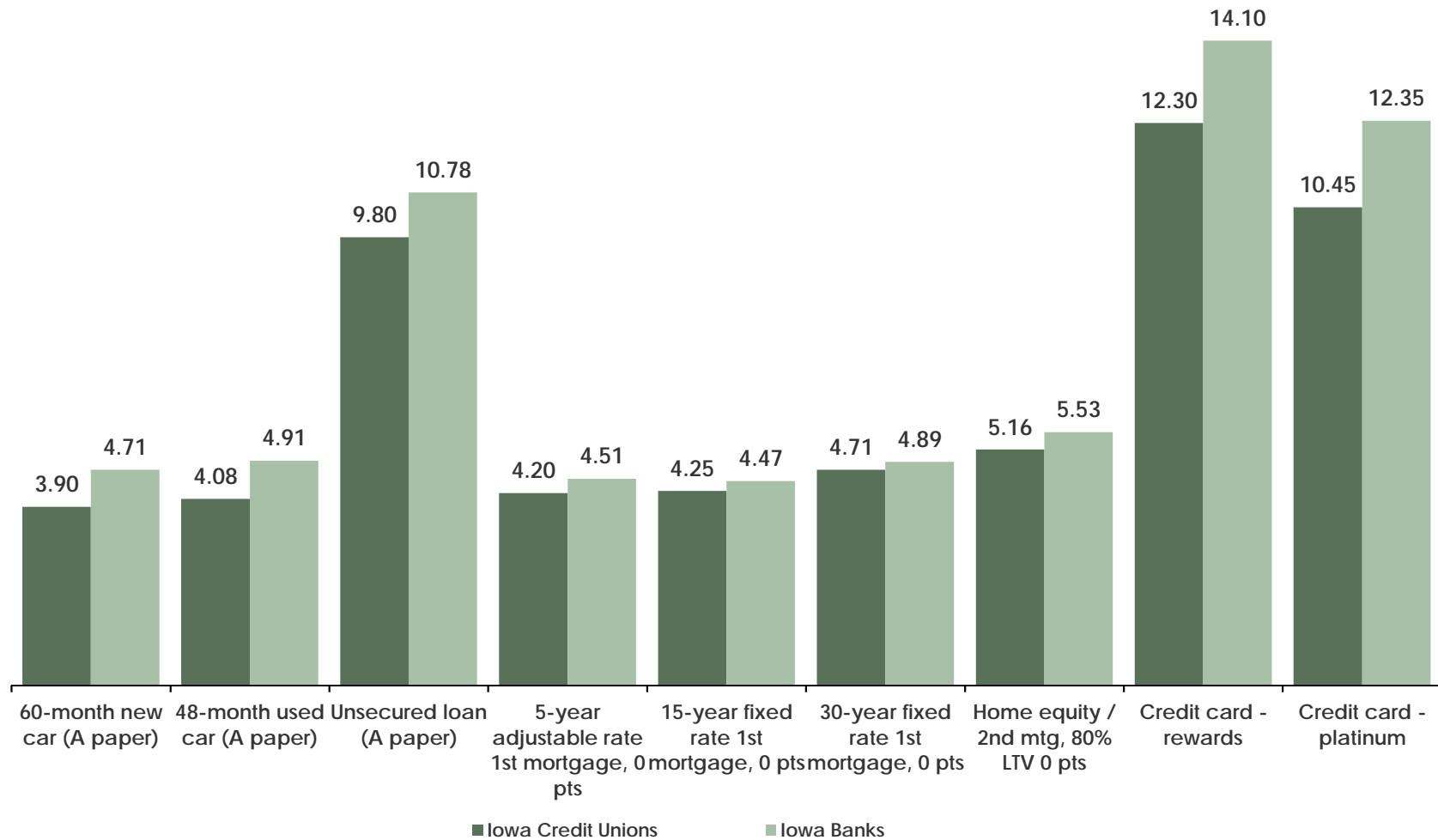
Iowa credit unions excel in providing member benefits on many loan and savings products. In particular, Iowa credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable rate, home equity loans, credit cards loans.

Iowa credit unions also pay members higher average dividends on the following accounts: regular savings, share draft checking, certificate accounts, IRAs.



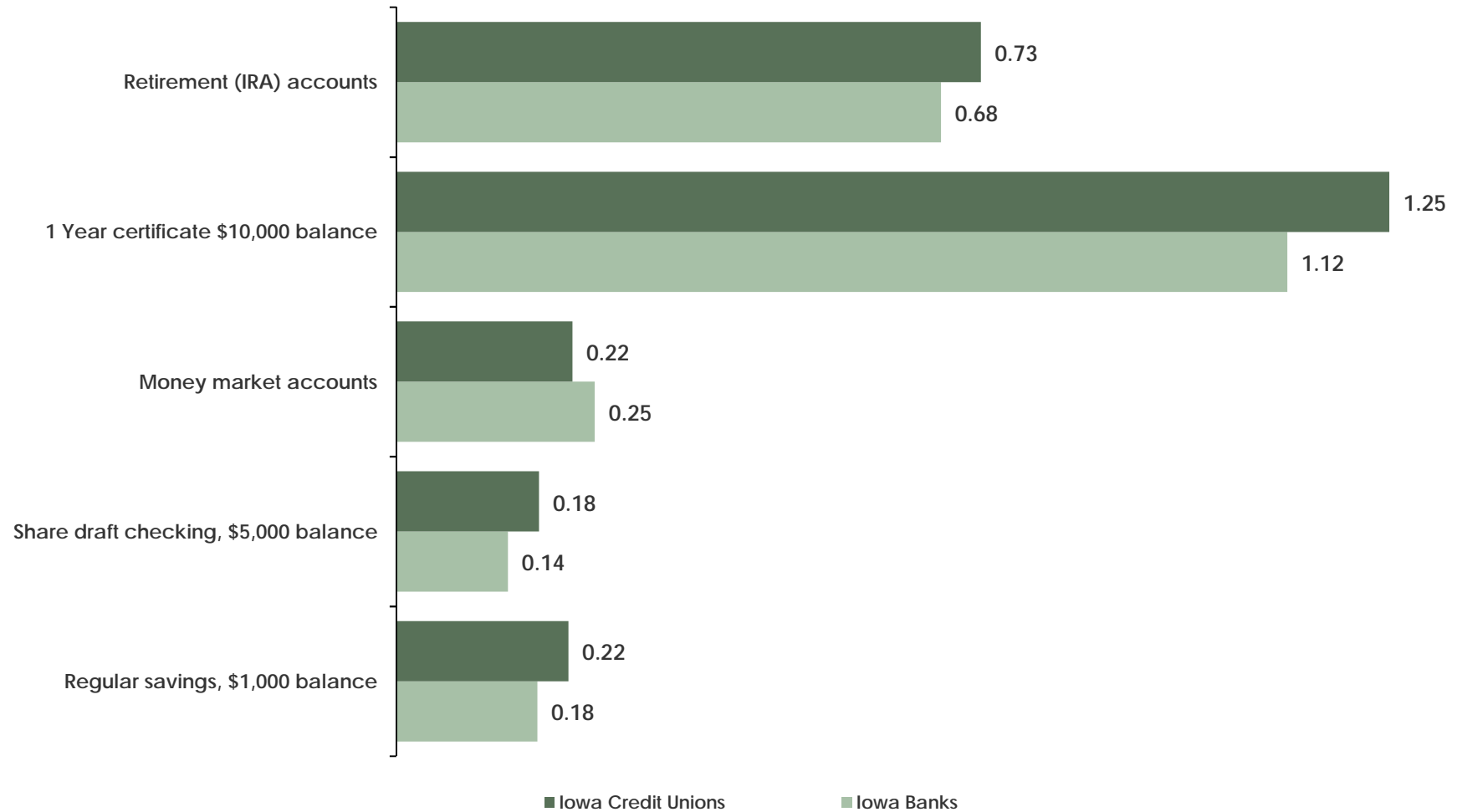
Loan Product Comparative Interest Rates (%)

by Loan Type



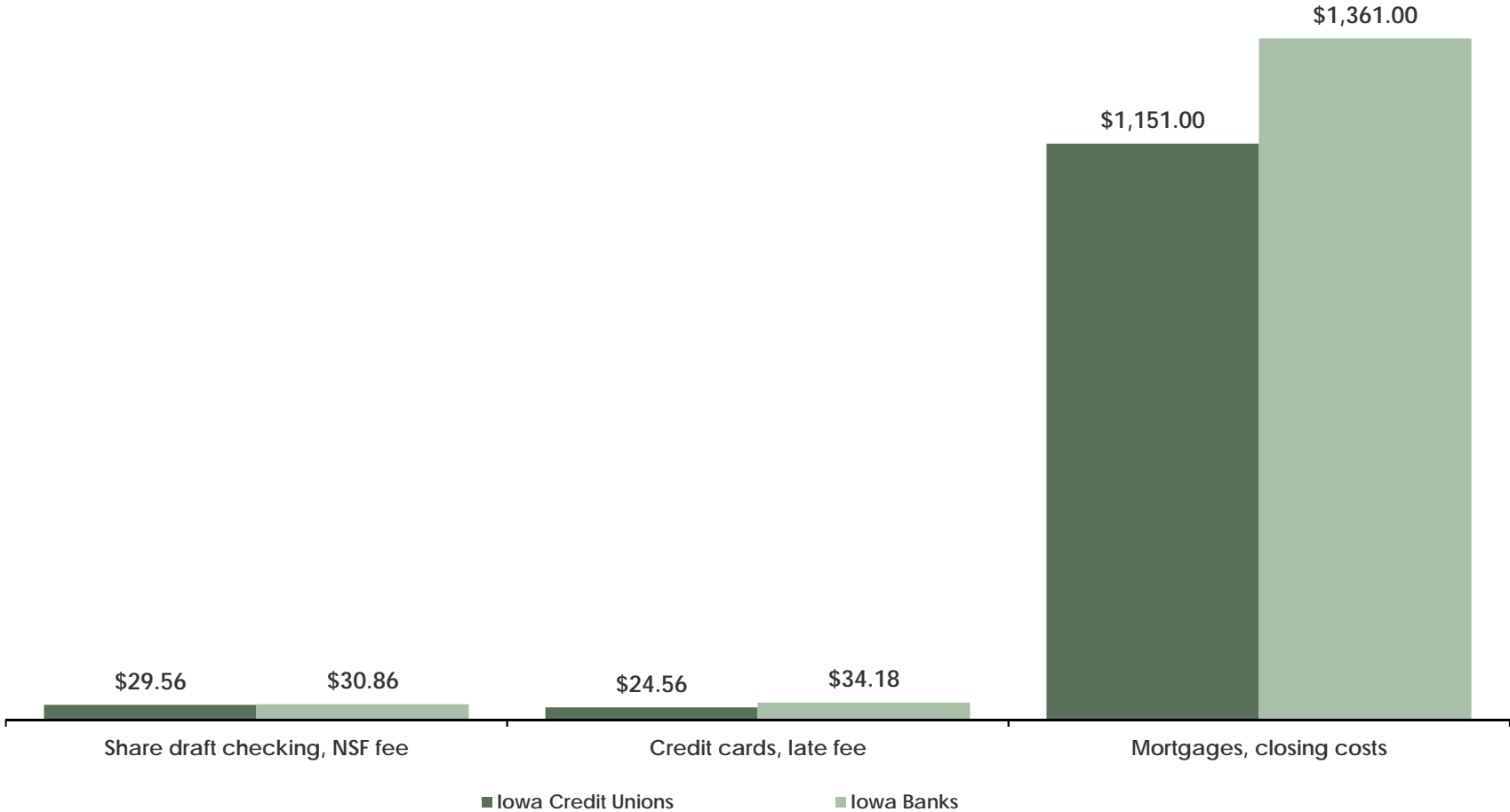
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



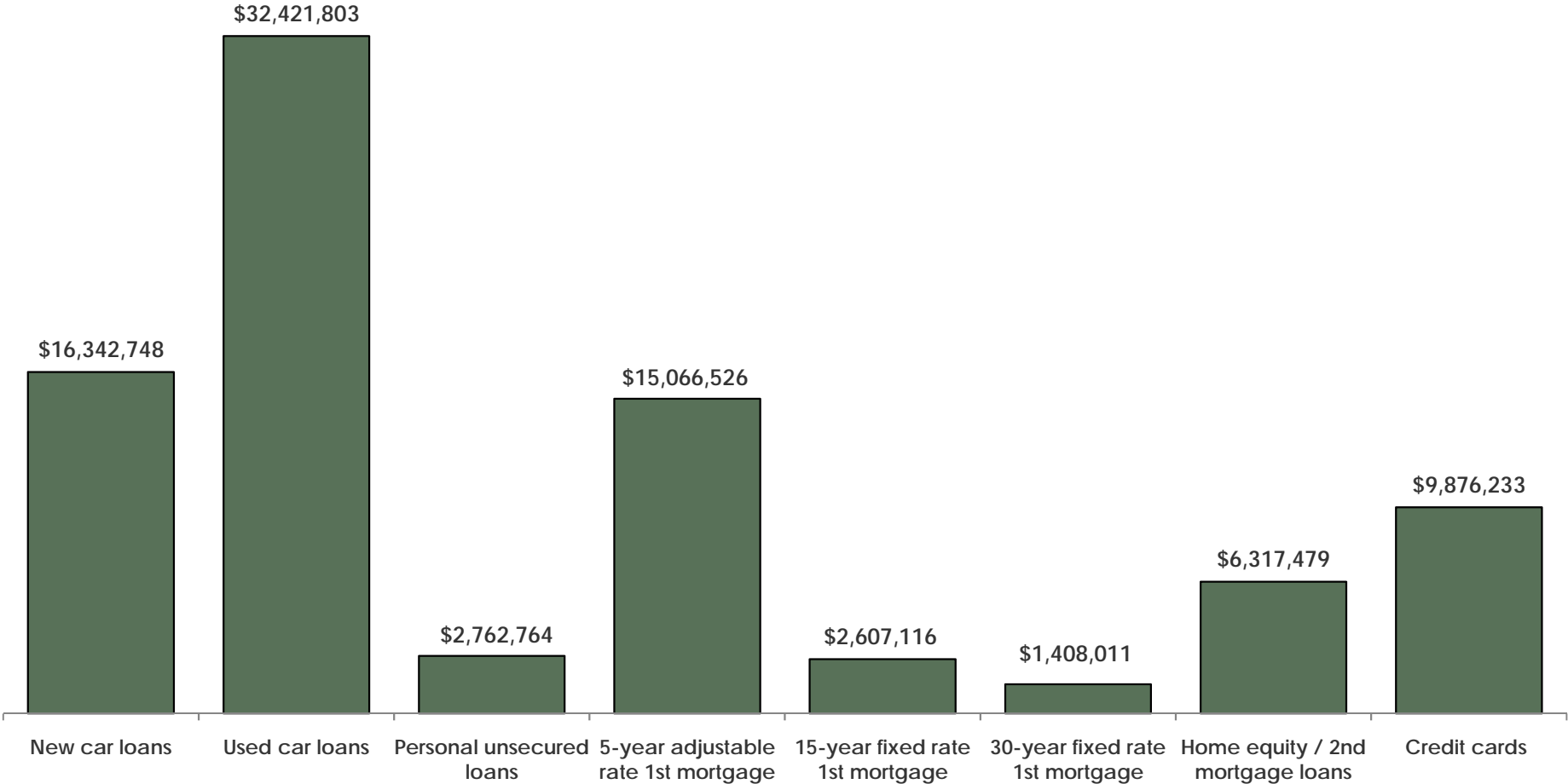
Iowa Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.90	4.71	-0.81
48-month used car (A paper)	4.08	4.91	-0.84
Unsecured loan (A paper)	9.80	10.78	-0.98
5-year adjustable rate 1st mortgage, 0 pts	4.20	4.51	-0.31
15-year fixed rate 1st mortgage, 0 pts	4.25	4.47	-0.22
30-year fixed rate 1st mortgage, 0 pts	4.71	4.89	-0.18
Home equity / 2nd mtg, 80% LTV 0 pts	5.16	5.53	-0.38
Credit card - rewards	12.30	14.10	-1.80
Credit card - platinum	10.45	12.35	-1.90
Savings Products			
Regular savings, \$1,000 balance	0.22	0.18	0.04
Share draft checking, \$5,000 balance	0.18	0.14	0.04
Money market accounts	0.22	0.25	-0.03
1 Year certificate \$10,000 balance	1.25	1.12	0.13
Retirement (IRA) accounts	0.73	0.68	0.05
Fee Income			
Share draft checking, NSF fee	\$29.56	\$30.86	-\$1.30
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

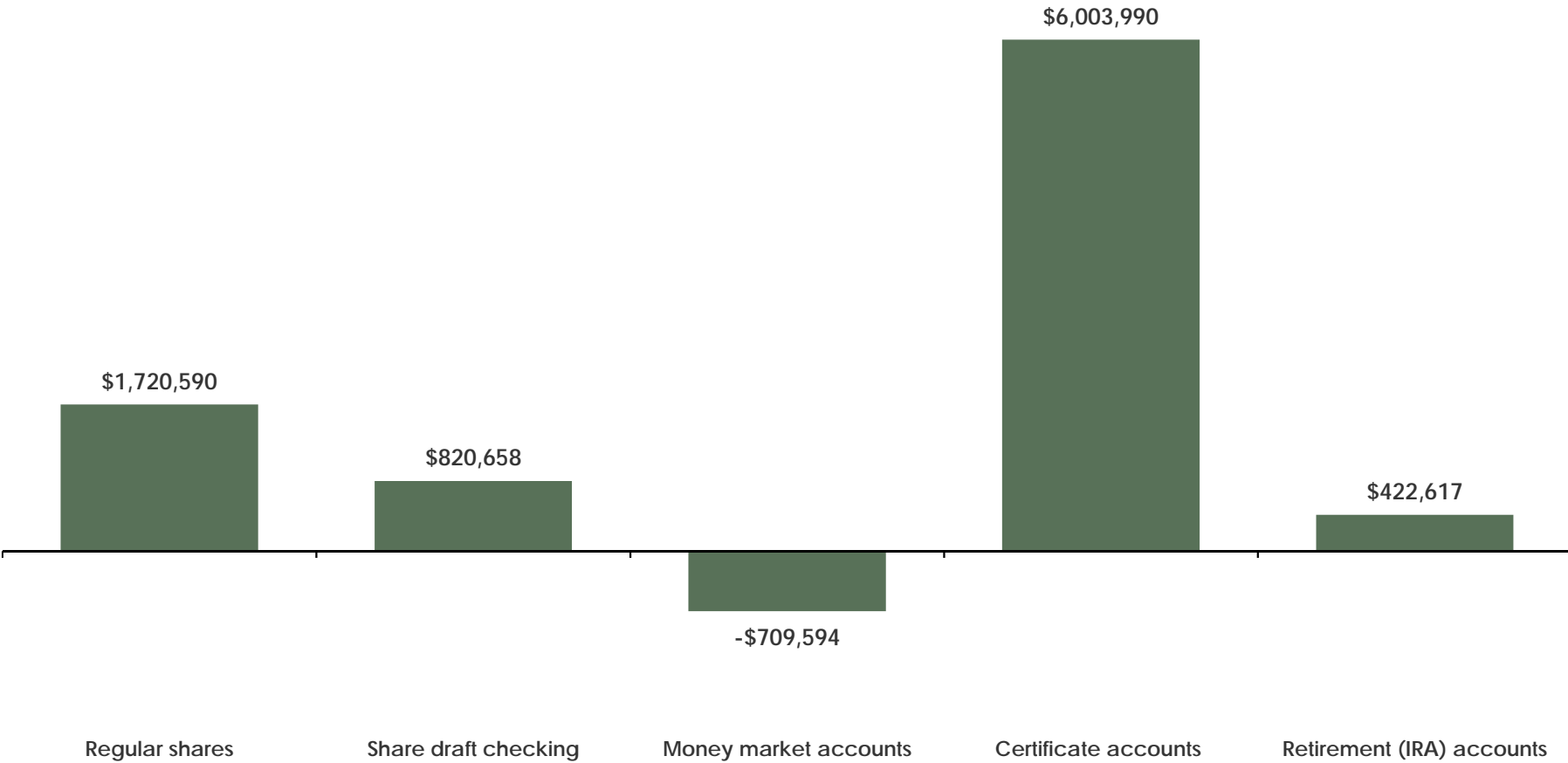
State Credit Union's Total Loan Rate Benefits

Compared to State Banking Institutions
by Loan Type



State Credit Union's Total Savings Dividend Benefits

Compared to State Banking Institutions
by Account Type



Estimated Financial Benefits for Iowa Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Iowa Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,017,623,199	-0.81	\$16,342,748
Used car loans	3,878,206,120	-0.84	\$32,421,803
Personal unsecured loans	282,780,366	-0.98	\$2,762,764
5-year adjustable rate 1st mortgage	4,798,256,716	-0.31	\$15,066,526
15-year fixed rate 1st mortgage	1,206,998,019	-0.22	\$2,607,116
30-year fixed rate 1st mortgage	791,017,426	-0.18	\$1,408,011
Home equity / 2nd mortgage loans	1,671,290,653	-0.38	\$6,317,479
Credit cards	541,311,750	-1.80	\$9,876,233
Interest rebates			\$415,676
Total CU member benefits arising from lower interest rates on loan products:			\$87,218,356
Savings			
Regular shares	4,411,768,614	0.04	\$1,720,590
Share draft checking	2,104,250,998	0.04	\$820,658
Money market accounts	2,534,265,283	-0.03	-\$709,594
Certificate accounts	4,690,617,160	0.13	\$6,003,990
Retirement (IRA) accounts	845,233,136	0.05	\$422,617
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$8,258,260
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$13,535,183
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$109,011,799
Total CU member benefit / member:			\$85
Total CU member benefit / member household:			\$179

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of December 2018 and December 2017, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

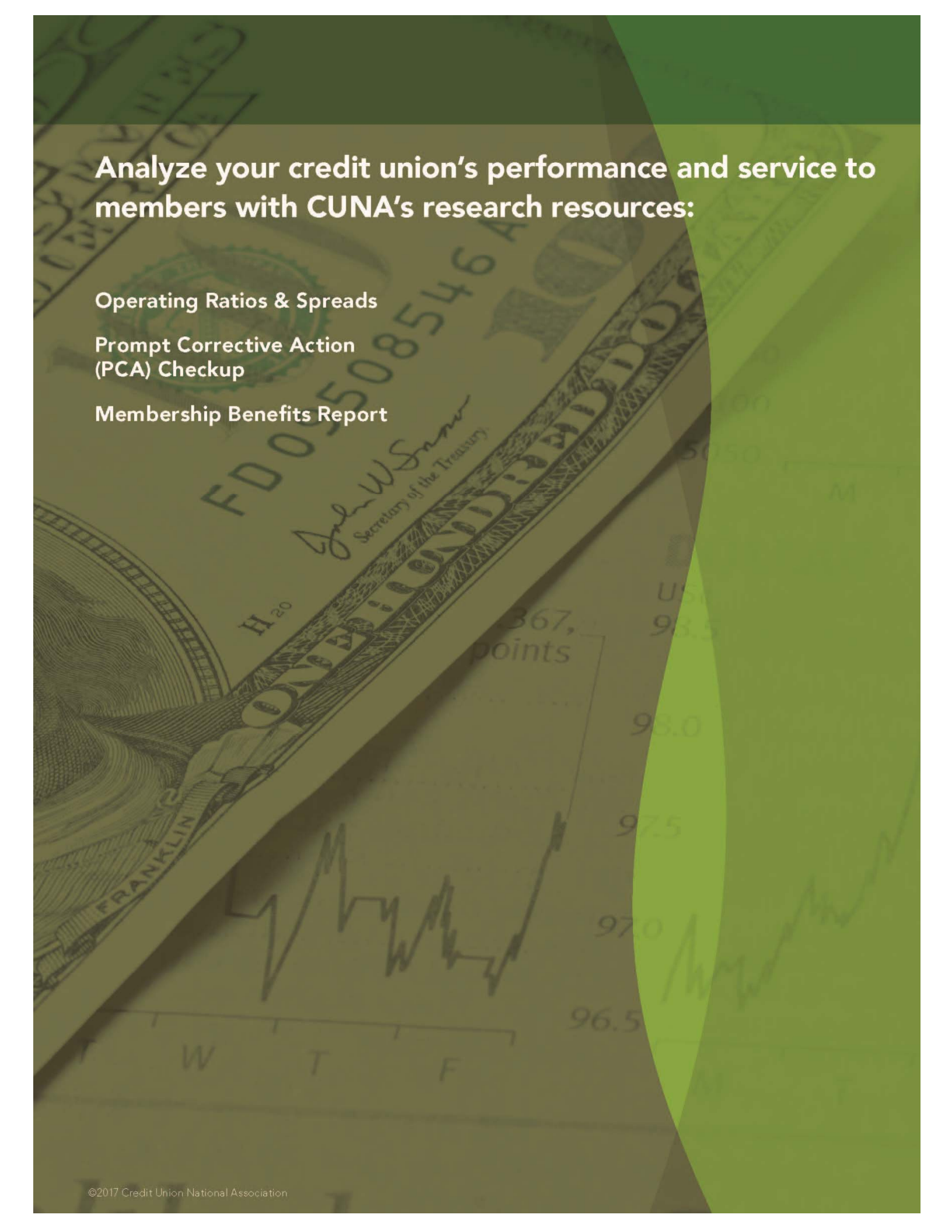
Membership Benefits Report

CUNA Economics and Statistics

Iowa Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	311	285
Total assets (\$ mil)	20,067	17,244
Total loans (\$ mil)	16,901	13,889
Total surplus funds (\$ mil)	2,387	2,535
Total savings (\$ mil)	16,119	14,192
Total members (thousands)	1,307	1,147
Growth Rates (Trailing 12 months) *		
Total assets	10.6 %	10.6 %
Total loans	15.1 %	15.3 %
Total surplus funds	-6.8 %	-9.6 %
Total savings	8.2 %	9.1 %
Total members	4.8 %	4.3 %
Earnings - Basis Pts. *		
Yield on total assets	406	379
Dividend / interest cost of assets	103	80
Fee & other income	133	133
Operating expense	286	286
Loss Provisions	40	35
Net Income (ROA) after stabilization exp	109	110
Capital Adequacy		
Net worth / assets	10.4	10.5
Asset Quality *		
Delinquencies / loans	0.8	0.8
Net chargeoffs / average loans	0.4	0.4
Total borrower-bankruptcies	24	19
Bankruptcies per 1000 members	1.6	1.5
Asset/Liability Management		
Loans / savings	104.9	97.9
Loans / assets	84.2	80.5
Long-term assets / assets	38.0	35.7
Core deposits/shares & borrowings	39.0	40.0
Productivity		
Members / potential members	3.6	3.4
Borrowers / members	73.2	72.1
Members / FTE	321	314
Average shares / members (\$)	12,330	12,376
Average loan balances (\$)	17,660	16,810
Salary & Benefits / FTE	68,545	66,762

* Earnings, net chargeoffs, and bankruptcies are year-to-date numbers annualized. Due to significant seasonal variation, balance sheet growth rates are for the trailing 12 months.



Analyze your credit union's performance and service to members with CUNA's research resources:

Operating Ratios & Spreads

Prompt Corrective Action
(PCA) Checkup

Membership Benefits Report